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BACKGROUND - **ATTORNEY GENERAL** **REVIEW** **OPINION** **NEGOTIATIONS**

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3. Negotiations, still in progress, have been rendered difficult by the Afghan desire to devote all of the US \$10 million to aircraft and airfields development, while turning over to KLM (which is interested in taking over AHWANA) or some other non-US group the development of airline operating services. Negotiations have been in recess for the past week, but are due to begin again today (17 May).

Hard Afghan bargaining, thus far, indicates that Kabul still feels it can afford to be independent in the matter, although the Afghans are probably eager to close a deal acceptable to them.